

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 11269 071047Z  
ACTION EUR-12

INFO OCT-01 ARA-10 EA-10 IO-13 ISO-00 AID-05 CEA-01  
CIAE-00 COME-00 EB-08 FRB-03 INR-07 NEA-10  
NSAE-00 USIA-06 OPIC-03 SP-02 TRSE-00 LAB-04  
SIL-01 AGRE-00 OMB-01 SS-15 /112 W  
-----125997 071256Z /53

R 071029Z SEP 77  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 1690  
INFO AMEMBASSY BONN  
AMEMBASSY BRASILIA  
AMEMBASSY COPENHAGEN  
AMEMBASSY THE HAGUE  
AMEMBASSY LONDON  
AMEMBASSY MEXICO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY TOKYO  
USMISSION GENEVA

LIMITED OFFICIAL USE BRUSSELS 11269

USEEC

PARIS ALSO FOR OECD

E.O. 11652: N/A  
TAGS: EFIN, EAID, IMF, BE  
SUBJECT: IBRD/IMF DEVELOPMENT COMMITTEE DISCUSSION  
OF THE DEBT ISSUE

REF: STATE 208976

1. MISSION OFFICER RELAYED SUBSTANCE OF US POSITION AS  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 11269 071047Z

SUMMARIZED REFTEL TO KLAUS-PIETER SCHMALLENBACH OF THE  
EC COMMISSION, WHO HAS BEEN PRINCIPAL OFFICIAL DEALING  
WITH DEBT ISSUE FROM DG-II (ECONOMIC AND FINANCIAL  
AFFAIRS).

2. SCHMALLENBACH LISTENED WITH INTEREST, NOTING THAT  
HE HAD HEARD OF THIS US IDEA IN GENEVA, AND NOW WAS

INTERESTED TO LEARN IT WAS OFFICIAL USG POSITION. PERSONALLY, FROM THE PURELY ECONOMIC AND FINANCIAL VIEWPOINT, HE THOUGHT IT MADE A LOT OF SENSE TO CONNECT ISSUE TO ORGANIZATION WITH TECHNICAL EXPERTISE, WHERE DEBT PROBLEM COULD BE COMPETENTLY ANALYZED AS ONE ASPECT OF LDC BALANCE OF PAYMENTS PROBLEM. HOWEVER, SOME MEMBER STATES WERE NOT WARM TO THE IDEA, EXPECTING SERIOUS POLITICAL PROBLEMS IN ANY EFFORT TO SEPARATE A MAJOR PART OF THE DEBT ISSUE FROM UNCTAD, WHERE THE LDC'S WOULD CLEARLY PREFER TO KEEP IT. THIS WAS ALL THE MORE SO SINCE HE FELT LDC'S PROBABLY UNDERSTOOD VERY WELL THAT THOSE PORTIONS THE US WOULD PROPOSE TO TAKE AWAY FROM UNCTAD WERE THE ONLY AREAS WHERE GENUINE PROGRESS MIGHT BE MADE. SCHMALLENBACH, OF COURSE, RECOGNIZED DIFFICULTIES WITH HAVING CONSTRUCTIVE DISCUSSION ON "REAL" DEBT PROBLEMS IN UNCTAD.

3. SCHMALLENBACH ALSO RAISED MATTER OF RELATION OF NEW WITTEVEEN FACILITY TO DEBT ISSUE. ALTHOUGH COMMISSION HAD NOT THOUGHT VERY DEEPLY ABOUT THIS RELATIONSHIP, IT SEEMED TO THEM DEBT PROBLEMS NEEDED TO BE RECONSIDERED WITH THIS SUBSTANTIAL INCREASE IN OFFICIAL FINANCING IN MIND. ALTHOUGH ACCESS TO WITTEVEEN FACILITY WAS NOT RELATED TO DEBT PER SE, EXISTENCE OF ADDITIONAL POTENTIAL IMF BALANCE OF PAYMENTS SUPPORT WOULD CLEARLY HELP TO EASE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 11269 071047Z

INDEBTEDNESS PROBLEMS.

4. SCHMALLENBACH SAID HE WAS LOOKING FORWARD TO CHANCE TO DISCUSS THESE MATTERS FURTHER AFTERNOON OF SEPTEMBER 6 WITH US OFFICIALS (MESSRS. BOSWORTH, FRANK AND ALBRECHT). MORRIS

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMITTEES, DEBTS, MEETINGS, FOREIGN POLICY POSITION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 07-Sep-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BRUSSE11269  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770323-0422  
**Format:** TEL  
**From:** BRUSSELS USEEC  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770992/aaaacztc.tel  
**Line Count:** 100  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 3845034d-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 208976  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 07-Dec-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1370320  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IBRD/IMF DEVELOPMENT COMMITTEE DISCUSSION OF THE DEBT ISSUE  
**TAGS:** EFIN, EAID, BE, US, IMF  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/3845034d-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009